

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name		County
Fiscal Year End	Opinion Date		Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature	Printed Name		License Number	

**Churchill Township
Ogemaw County, Michigan
Financial Report
With Supplemental Information
June 30, 2007**

CHURCHILL TOWNSHIP

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-8
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Assets	9
Statement of Activities	10
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	11
Statement of Revenues, Expenditures and Changes in Fund Balances	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Fiduciary Funds:	
Statement of Net Assets	14
Statement of Changes in Net Assets	15
Notes to Financial Statements	16-23
REQUIRED SUPPLEMENTAL INFORMATION	
Budgetary Comparison Schedule - General Fund	24
Budgetary Comparison Schedule - Road Fund	25
Budgetary Comparison Schedule - Garbage Fund	26
OTHER SUPPLEMENTAL INFORMATION	
Nonmajor Governmental Funds:	
Combining Balance Sheet	27
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	28



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INDEPENDENT AUDITOR'S REPORT

Township Board
Churchill Township
Ogemaw County, Michigan

We have audited the accompanying financial statements of the governmental activities and each major fund of Churchill Township as of and for the year ended June 30, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Churchill Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Churchill Township as of June 30, 2007, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The board's discussion and analysis and budgetary comparison information on pages 3 through 8 and pages 24 through 26 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Churchill Township's basic financial statements. The accompanying other pages of supplementary information, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Robertson & Carpenter CPAs, P.C.
Certified Public Accountants
December 3, 2007

Management's Discussion and Analysis

As management of Churchill Township (the "Township"), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended June 30, 2007.

Financial Highlights

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$1,117,994 (*net assets*). Of this amount, \$325,301 (*unrestricted net assets*) may be used to meet the Township's ongoing obligations. Funds required to be used for a specific purpose (*restricted net assets*) total \$320,786.
- The Township's total net assets increased by \$146,950.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$646,087, an increase of \$156,061 in comparison with the prior year. The General Fund balance is \$325,301 at June 30, 2007, 50% of the total fund balances. The fund balance in the Road Fund is \$275,044. The fund balance in the Garbage Fund is \$13,732. The fund balances in other non-major governmental funds total \$32,010.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$325,301 or 187% percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., accrued interest payable).

Both of the government-wide financial statements present functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Township include general government, public safety and public works. The Township has no business-type activities as of and for the year ended June 30, 2007.

The government-wide financial statements can be found on pages 9-10 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a Township's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Fund and Garbage Fund.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided for the General Fund, Road Fund and Garbage Fund herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 11-12 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are *not* reflected in the Government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 14-15 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-23 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets exceeded its liabilities by \$1,117,994 at the close of the most recent fiscal year.

A portion of the Township's net assets (42%) reflects its investment in capital assets (e.g., infrastructure, land, buildings, and equipment); less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to the community; consequently, these assets are *not* available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Township's Net Assets

	Governmental Activities June 30, 2007	Governmental Activities June 30, 2006
Current and Other Assets	\$ 655,036	\$ 508,850
Capital Assets, Net	471,907	481,018
Total Assets	1,126,943	989,868
Current Liabilities	8,949	18,824
Total Liabilities	8,949	18,824
Net Assets:		
Invested in Capital Assets	471,907	481,018
Restricted	320,786	201,097
Unrestricted	325,301	288,929
Total Net Assets	\$ 1,117,994	\$ 971,044

The Township's net assets increased by \$146,950 during the current fiscal year. Unrestricted net assets—the part of net assets that can be used to finance day to day operations, increased by \$36,372, or 13%, during the fiscal year ended June 30, 2007.

Township's Changes in Net Assets

	Governmental Activities June 30, 2007	Governmental Activities June 30, 2006
Revenue:		
Program Revenue:		
Charges for services	\$ 48,010	\$ 41,307
Operating Grants	3,229	3,233
Capital Grants	16,392	0
General Revenue:		
Property Taxes	203,790	192,061
State-Shared Revenues	109,902	109,642
Interest Earnings	12,164	7,665
Other	6,050	6,332
Total Revenue	\$ 399,537	\$ 360,240
Expenses:		
General Government	\$ 116,669	\$ 119,277
Public Safety	31,755	27,508
Public Works	93,057	86,750
Recreation and Culture	11,106	10,140
Total Expenses	\$ 252,587	\$ 243,675
Increase in Net Assets	146,950	116,565
Net Assets, Beginning of Year	971,044	854,479
Net Assets, End of Year	\$ 1,117,994	\$ 971,044

Governmental activities. The Township's total governmental revenues increased by \$39,297 from prior fiscal year. The primary increases were additional property taxes of \$11,729 and capital grants of \$16,392. Total expenses were \$8,912 higher than the prior year. Fire protection expenses increased by \$4,247 compared to the previous year.

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$646,087, an increase of \$156,061 in comparison with the prior year. The General Fund portion of the fund balance is \$325,301, which is available for spending at the Township's discretion. The remainder of the fund balance consists of Road Fund of \$275,044, Garbage Fund of \$13,732, Liquor Law Enforcement of \$58 and Gypsy Moth of \$31,952.

The General Fund is the principal operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the general fund was \$325,301. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The entire General Fund balance is unreserved and represents approximately 187% of total general fund expenditures.

The fund balance increased in all governmental funds as follows; General Fund \$38,424, Road Fund \$104,729, Garbage Fund \$903, Liquor Law Enforcement Fund \$11 and Gypsy Moth Fund \$11,994.

General Fund Budgetary Highlights

The Township's budgets are prepared in accordance with Michigan Law. The most significant budgeted funds are the General Fund, Road Fund and Garbage Fund. All budget amendments were made in accordance with statutory authority during the year.

Capital Asset and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental activities as of June 30, 2007, amounted to \$471,907 (net of accumulated depreciation). Investment in capital assets includes land, infrastructure and equipment. Equipment additions of \$21,336 included voting equipment and computer equipment.

Township's Capital Assets (net of depreciation)

	June 30, 2007	June 30, 2006
Land	\$ 6,463	\$ 6,463
Land improvements	7,507	8,573
Infrastructure	422,419	447,070
Buildings and improvements	11,131	11,727
Furniture and Equipment	24,387	7,185
Total	\$ 471,907	\$ 481,018

Additional information on the Township's capital assets can be found in note 5 on page 22 of this report.

Factors Bearing on the Township's Future

The following factors were considered in preparing the Township's budget for the 2007-2008 fiscal year:

- The State of Michigan has made significant cuts in their operating budgets due to a downturn in the economy. For 2006-2007, the Township received \$109,902 in state shared revenue, representing 52% of the revenues in the General Fund. The amounts of state shared revenues for future periods are uncertain and will affect the Township's budgets. Our budgets were prepared with these factors in mind and will need to be revised as needed.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Churchill Township
Clerk's Office
1924 Gerald H. Miller Road
West Branch, MI 48661

Churchill Township
Statement of Net assets
June 30, 2007

	<u>Governmental Activities</u>
Assets	
Cash (Note 3)	\$ 636,613
Receivable-net	1,222
Due from governmental units	17,201
Capital assets-net (Note 5)	<u>471,907</u>
Total assets	<u>1,126,943</u>
 Liabilities	
Accounts payable	<u>8,949</u>
Total liabilities	<u>8,949</u>
 Net Assets	
Invested in capital assets	471,907
Restricted:	
Road Fund	275,044
Gypsy Moth Fund	31,952
Garbage Fund	13,732
Liquor Law Enforcement	58
Unrestricted	<u>325,301</u>
Total net assets	\$ <u><u>1,117,994</u></u>

See accompanying notes

Churchill Township
Statement of Activities
Year ended June 30, 2007

Functions/Programs	Program Revenues				Governmental Activities
	Expenses	Charges for Services	Operating Grants	Capital Grants	Net (Expense) Revenue and Changes in Net Assets
Governmental Activities					
General government	\$ 116,669	\$ 5,186	\$ -	\$ 16,392	\$ (95,091)
Public safety	31,755	6,227	323	-	(25,205)
Public works	93,057	36,597	2,906	-	(53,554)
Recreation and culture	<u>11,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,106)</u>
Total governmental activities	<u>\$ 252,587</u>	<u>\$ 48,010</u>	<u>\$ 3,229</u>	<u>\$ 16,392</u>	<u>\$ (184,956)</u>
General Revenues:					
Property taxes					203,790
State revenues					109,902
Interest and investment earnings					12,164
Other					<u>6,050</u>
Total general revenues					<u>331,906</u>
Change in Net Assets					146,950
Net assets - beginning of year					<u>971,044</u>
Net assets - end of year					<u>\$ 1,117,994</u>

See accompanying notes

Churchill Township
Governmental Funds
Balance Sheet
June 30, 2007

	General Fund	Road Fund	Garbage Fund
Assets			
Cash and investments (Note 3)	\$ 312,064	\$ 278,063	\$ 13,732
Accounts receivable - net	1,182	21	-
Due from other funds (Note 6)	3,053	-	-
Due From other governmental units	17,201	-	-
Total assets	<u>\$ 333,500</u>	<u>\$ 278,084</u>	<u>\$ 13,732</u>
Liabilities			
Accounts payable	\$ 8,199	\$ -	\$ -
Due to other funds	-	3,040	-
Deferred revenue	-	-	-
Total liabilities	<u>8,199</u>	<u>3,040</u>	<u>-</u>
Fund balances			
Unreserved:			
General Fund	325,301	-	-
Special Revenue Funds	-	275,044	13,732
Total fund balances	<u>325,301</u>	<u>275,044</u>	<u>13,732</u>
Total liabilities and fund balances	<u>\$ 333,500</u>	<u>\$ 278,084</u>	<u>\$ 13,732</u>

Fund Balances - Total Governmental Funds

Elimination of due to and due from governmental funds

Amounts reported for governmental activities in the statement of net assets
are different because:

Capital assets used in governmental activities are not financial
resources, and are not reported in the funds.

The cost of capital assets is

Accumulated depreciation is

Net Assets of Governmental Activities

Other Nonmajor Funds	Total Governmental Funds
\$ 32,754	\$ 636,613
6	1,209
-	3,053
-	17,201
<u>\$ 32,760</u>	<u>\$ 658,076</u>

\$ 750	\$ 8,949
-	3,040
-	-
<u>750</u>	<u>11,989</u>

-	325,301
<u>32,010</u>	<u>320,786</u>
<u>32,010</u>	<u>646,087</u>
<u>\$ 32,760</u>	<u>\$ 658,076</u>

\$ 646,087

\$ 606,737	
<u>(134,830)</u>	
	<u>471,907</u>

\$ 1,117,994

See accompanying notes

Churchill Township
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2007

	General Fund	Road Fund	Garbage Fund
Revenues			
Taxes and penalties	\$ 69,256	\$ 106,624	\$ -
Special assessments	-	-	26,700
State grants	109,902	2,906	-
Charges for services	20,755	-	-
Interest and rentals	6,441	6,019	49
Other	6,050	-	-
Total revenues	<u>212,404</u>	<u>115,549</u>	<u>26,749</u>
Expenditures			
Current:			
General government	110,873	-	-
Public safety	31,443	-	-
Public works	15,614	10,820	25,846
Recreation and culture	11,106	-	-
Capital outlay	4,944	-	-
Total expenditures	<u>173,980</u>	<u>10,820</u>	<u>25,846</u>
 Net Change in Fund Balances	 38,424	 104,729	 903
Fund balances - Beginning of year	<u>286,877</u>	<u>170,315</u>	<u>12,829</u>
Fund balances - End of year	\$ <u><u>325,301</u></u>	\$ <u><u>275,044</u></u>	\$ <u><u>13,732</u></u>

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 27,910	\$ 203,790
-	26,700
323	113,131
-	20,755
210	12,719
-	6,050
<u>28,443</u>	<u>383,145</u>
-	110,873
312	31,755
16,126	68,406
-	11,106
-	4,944
<u>16,438</u>	<u>227,084</u>
12,005	156,061
<u>20,005</u>	<u>490,026</u>
<u>\$ 32,010</u>	<u>\$ 646,087</u>

See accompanying notes

Churchill Township
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year ended June 30, 2007

Net Change in Fund Balances - Total Governmental Funds	\$ 156,061
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Amounts reported for governmental activities are different because:

Government funds report capital outlays as expenditures;
in the statement of activities these costs are allocated
over their estimated useful lives as depreciation.

Depreciation expense	\$ (30,447)	
Capital Outlay	<u>21,336</u>	
		<u>(9,111)</u>

Change in Net Assets of Governmental Activities	\$ <u>146,950</u>
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See accompanying notes

Churchill Township
Fiduciary Funds
Statement of Net Assets
June 30, 2007

	Trust Fund- Pension Fund	Agency Funds
Assets		
Cash	\$ -	\$ 13
Investments - at fair value	232,622	-
Due from other funds	-	-
Due from other governments	-	-
	<hr/>	<hr/>
Total assets	232,622	<u>13</u>
 Liabilities		
Due to other funds	-	13
Due to taxpayers	-	-
	<hr/>	<hr/>
Total liabilities	-	<u>\$ 13</u>
 Net Assets - Held in Trust for Pension Benefits	 \$ <u>232,622</u>	

See accompanying notes

Churchill Township
Fiduciary Funds
Statement of Changes in Net Assets
Year ended June 30, 2007

	Trust Fund- Pension Fund
Additions	
Contributions	
Employer	\$ 13,621
Employee	389
Investment earnings	<u>7,797</u>
Total Additions	21,807
 Deductions	
Benefits	-
Administrative expenses	<u>1,944</u>
Total deductions	1,944
 Net increase	 19,863
 Net Assets Held in Trust for Pension Benefits	
Beginning of the year	<u>212,759</u>
End of the year	\$ <u><u>232,622</u></u>

See accompanying notes

Churchill Township
Notes to Financial Statements
June 30, 2007

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Churchill Township ("the Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the more significant policies used by the Township:

Reporting Entity

The Township is governed by an elected five member Township Board. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board (GASB) for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the Township's reporting entity, and which organizations are legally separate, component units of the Township. Based on the application criteria, the Township does not contain any component units.

The financial statements of other governmental organizations listed below are not included in the financial statements of the Township as they do not meet the criteria for being a component unit of the township.

Ogemaw Fire Board - The Fire Board is a joint venture with five other local units. The Township appoints one of the six board members and is not financially accountable for the Fire Board.

Joint Area Fire Board

Churchill Township appropriates funds for fire protection and provides fire protection services through the Ogemaw Fire Board. The Ogemaw Fire Board is a joint area fire board serving six governmental units - City of West Branch, Churchill Township, Edwards Township, Horton Township, Ogemaw Township and West Branch Township.

The following financial information for the year ended December 31, 2006, was obtained from the Ogemaw Fire Board:

Total Assets	\$	51,055	<u>Local contributions - 2006</u>	
Total Liabilities		-	City of West Branch	\$ 20,347
Total Equity		51,055	Churchill Township	24,121
Total Revenues		159,448	Edwards Township	17,397
Total Expenditures		382,124	Horton Township	12,173
Decrease in Fund		222,676	Ogemaw Township	16,331
Balance			West Branch Township	38,877
			Total	\$ <u>129,246</u>

A copy of financial statements for the Ogemaw Fire Department may be obtained from the Township Supervisor.

Churchill Township
Notes to Financial Statements
June 30, 2007

Note 1 - Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Township. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All the Township's government-wide activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a certain function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, state-shared revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when the cash is received by the Township.

Churchill Township
Notes to Financial Statements
June 30, 2007

Note 1 - Summary of Significant Accounting Policies (Continued)

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund.

The Road Fund is used to record property tax revenue, interest earnings and other revenue restricted for use on Township roads.

The Garbage Fund is used to record special assessment revenue and interest earnings restricted for garbage collection purposes.

Additionally, the Township reports the following funds:

The Pension Trust Fund accounts for the activity of the Township defined contribution retirement plan, which accumulates resources for pension benefit payments to qualified employees.

The Tax Collection Fund accounts for property taxes collected and disbursed to other taxing authorities by the Township as required by law.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict the standards of the Governmental Accounting Standards Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include: (1) charges to customers for goods, services or privileges provided and (2) operating grants and contributions. General revenue includes all taxes.

Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between fund that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

Churchill Township
Notes to Financial Statements
June 30, 2007

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (Continued)

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The taxpayers of the Township have their properties assessed as of December 31 and the related property taxes are levied and become a lien on December 1 for 100% of the taxes which are due February 28. The 2006 taxable value of the Township was \$64,805,077. The 2006 tax levy was .7597 mills for general operating purposes, 1.6454 mills for the Road Fund and 0.4308 for the Gypsy Moth Fund, raising \$50,545 for general operating purposes, \$106,624 for roads and \$27,910 for gypsy moth suppression.

Inventories and Prepaid items - Inventories are not significant amounts at year end. Inventory is recorded as expenditures when purchased. Payments to vendors reflecting costs applicable to future fiscal years are recorded as prepaid items in both government wide and fund financial statements, if applicable.

Capital Assets - Capital assets, which include land, buildings, equipment, and infrastructure assets (e.g., amounts paid to the Road Commission for the intangible right to use the roads), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation. Infrastructure assets acquired prior to implementation of GASB 34 are not included in the financial statements.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Infrastructure	20 years
Buildings and additions	50 years
Vehicles	5 years
Office furnishings	5-20 years
Other equipment	5-20 years

Compensated Absences - There is no liability for compensated absences reported in the government-wide financial statements since no township employees are provided with sick or vacation pay benefits.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations, if any, are reported as liabilities in the statement of net assets.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs are reported as other bond expenditures.

Churchill Township
Notes to Financial Statements
June 30, 2007

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriating or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Comparative Data/Reclassifications - Comparative data is not included in the Township's financial statements.

The fund financial statements focus on major funds rather than fund types.

Note 2 - Stewardship, Compliance and Accountability

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the general and special revenue funds.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the Township adopt its budgets by July 1. Expenditures in excess of amounts budgeted is a violation of Michigan Law. State law permits Townships to amend its budget during the year. During the year there were no significant amendments to the budgets.

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until the receipt of materials or services. For budgetary purposes, appropriations lapse at fiscal year end and outstanding encumbrances are reappropriated in the next year.

Note 3 - Deposits and Investments

At year-end the Township's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds	Township Total
Cash and cash equivalents	\$ 636,613	\$ 13	\$ 636,626
Investments	-	232,622	232,622
Total	<u>\$ 636,613</u>	<u>\$ 232,635</u>	<u>\$ 869,248</u>

The breakdown between deposits and investments for the Township is as follows:

Deposits (checking, savings and certificates of deposit)	\$ 636,626
Investments	<u>232,622</u>
	<u>\$ 869,248</u>

The Township's investments at June 30, 2007 consisted of pension plan assets totaling \$232,623.

Churchill Township
Notes to Financial Statements
June 30, 2007

Note 3 - Deposits and Investments (Continued)

Investment and deposit risk:

Interest rate

In accordance with its investment policy, the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates by investing operating funds primarily in shorter term securities and limiting the average maturity in accordance with the Township's cash requirements.

Credit risk

State law limited investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRPs). The Township has no investments for which ratings are required.

Custodial credit risk - deposits

In the case of deposits, there is the risk that in the event of a bank failure, the Township's deposit may not be returned to it. State law does not require and the Township does not have a policy for deposit custodial credit risk. At June 30, 2007, \$266,649 of the Township's bank balance of \$636,651 was exposed to custodial credit risk because it was uninsured.

The Township Board is authorized to designate depositories for Township funds, and to determine that the funds are invested in accordance with State of Michigan statutory authority.

The Township's deposits are in accordance with statutory authority.

Note 4 - Receivables

Receivables as of year-end for the Township's individual funds and the nonmajor and fiduciary funds in aggregate, including applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Road Fund</u>	<u>Other Major and Non- Major Funds</u>	<u>Total</u>
Receivables:				
Accounts receivable	\$ 1,182	\$ 21	\$ 6	\$ 1,209
Intergovernmental	<u>17,201</u>	<u>-</u>	<u>-</u>	<u>17,201</u>
Total receivables	<u>\$ 18,383</u>	<u>\$ 21</u>	<u>\$ 6</u>	<u>\$ 18,410</u>

Churchill Township
Notes to Financial Statements
June 30, 2007

Note 5 - Capital Assets

Capital asset activity of the Township's governmental activities was as follows:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Capital assets not being depreciated:				
Land	\$ 6,463	\$ -	\$ -	\$ 6,463
Capital assets being depreciated:				
Infrastructure	493,019	-	-	493,019
Land improvements	11,060	-	-	11,060
Buildings	43,749	-	-	43,749
Furniture & equipment	31,110	21,336	-	52,446
Subtotal	<u>585,401</u>	<u>21,336</u>	<u>-</u>	<u>606,737</u>
Accumulated Depreciation				
Infrastructure	45,949	24,651	-	70,600
Land improvements	2,487	1,066	-	3,553
Buildings	32,022	596	-	32,618
Furniture & equipment	23,925	4,134	-	28,059
Subtotal	<u>104,383</u>	<u>30,447</u>	<u>-</u>	<u>134,830</u>
Net capital assets being depreciated	<u>481,018</u>	<u>(9,111)</u>	<u>-</u>	<u>471,907</u>
Governmental Activities				
Total Capital Assets net of Depreciation	<u>\$ 481,018</u>	<u>\$ (9,111)</u>	<u>\$ -</u>	<u>\$ 471,907</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
General Government	\$ 5,796
Public Works	24,651
	<u>\$ 30,447</u>

Churchill Township
Notes to Financial Statements
June 30, 2007

Note 6 - Receivables, Payables and Transfers

The composition of interfund balances is as follows:

<u>Receivable Fund</u>		<u>Payable Fund</u>	<u>Amount</u>
General Fund	\$ 3,053	General Fund	\$ -
Road Fund	-	Road Fund	3,040
Nonmajor Funds	-	Nonmajor Funds	-
Fiduciary Funds	-	Fiduciary Funds	13
Total	<u>\$ 3,053</u>	Total	<u>\$ 3,053</u>

Note 7 - Risk Management

Churchill Township is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by insurance purchased from independent insurance companies. Settled claims from these risks have not exceeded insurance coverage for the last three years.

Note 8 - Pension Plan

Churchill Township has a defined contribution plan with John Hancock providing coverage for township employees except deputies, Board of Review employees and the ordinance enforcement officer. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of these contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account.

The Township pension plan agreement specifies which Township positions are covered by the plan. Contributions made by an employee and the Township vest immediately. An employee that leaves the employment of the Township is entitled to his or her account balance consisting of the employee and Township contributions, as well as earnings in the account. The Township contribution was 25% of annual compensation.

During the year, the Township's required and actual contributions amounted to \$13,621, which was 25% of its current year covered payroll. There were \$389 of employee contributions. Covered payroll was \$62,315. Total payroll was \$66,720. All elected officials are covered by the plan.

No pension provision changes occurred during the year that affected the required contributions to be made by the Township or its employees. The plan held no securities of the Township or other related parties during the year or as the close of the fiscal year.

Required Supplemental Information

Churchill Township
 Budgetary Comparison Schedule - General Fund
 Year ended June 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Fund Balance - Beginning of year	\$ 252,272	\$ 252,272	\$ 286,877	\$ 34,605
Resources (Inflows)				
Taxes and fees	62,000	62,000	69,256	7,256
State-shared revenues	110,000	107,000	109,902	2,902
Charge for services	12,000	12,000	20,755	8,755
Interest and rentals	2,000	2,000	6,441	4,441
Other	-	-	6,050	6,050
Amounts available for appropriation	<u>438,272</u>	<u>435,272</u>	<u>499,281</u>	<u>64,009</u>
Charges to Appropriations (Outflows)				
General government	124,500	129,500	110,873	18,627
Public safety	29,000	32,000	31,443	557
Public works	17,900	17,900	15,614	2,286
Recreation and culture	10,500	11,200	11,106	94
Capital outlay	6,000	6,000	4,944	1,056
Total charges to appropriations	<u>187,900</u>	<u>196,600</u>	<u>173,980</u>	<u>22,620</u>
Fund Balance - end of year	<u>\$ 250,372</u>	<u>\$ 238,672</u>	<u>\$ 325,301</u>	<u>\$ 86,629</u>

Churchill Township
 Budgetary Comparison Schedule - Road Fund
 Year ended June 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Fund Balance - Beginning of year	\$ 166,570	\$ 166,570	\$ 170,315	\$ 3,745
Resources (Inflows)				
Taxes and fees	100,000	100,000	106,624	6,624
State shared revenues	3,000	2,900	2,906	6
Interest and rent	3,000	3,000	6,019	3,019
Amounts available for appropriation	<u>272,570</u>	<u>272,470</u>	<u>285,864</u>	<u>13,394</u>
Charges to Appropriations (Outflows)				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	13,000	13,000	10,820	2,180
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Total charges to appropriations	<u>13,000</u>	<u>13,000</u>	<u>10,820</u>	<u>2,180</u>
Fund Balance - end of year	<u><u>\$ 259,570</u></u>	<u><u>\$ 259,470</u></u>	<u><u>\$ 275,044</u></u>	<u><u>\$ 15,574</u></u>

Churchill Township
 Budgetary Comparison Schedule - Garbage Fund
 Year ended June 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Fund Balance - Beginning of year	\$ 12,699	\$ 12,699	\$ 12,829	\$ 130
Resources (Inflows)				
Special assessments	26,175	26,175	26,700	525
State shared revenues	-	-	-	-
Interest and rent	40	40	49	9
Amounts available for appropriation	<u>38,914</u>	<u>38,914</u>	<u>39,578</u>	<u>664</u>
Charges to Appropriations (Outflows)				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	26,100	26,100	25,846	254
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Total charges to appropriations	<u>26,100</u>	<u>26,100</u>	<u>25,846</u>	<u>254</u>
Fund Balance - end of year	<u>\$ 12,814</u>	<u>\$ 12,814</u>	<u>\$ 13,732</u>	<u>\$ 918</u>

Other Supplemental Information

Churchill Township
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2007

	Nonmajor Special Revenue Funds		Nonmajor Governmental Funds
	Liquor Law Enforcement	Gypsy Moth	Total
Assets			
Cash and investments	\$ 58	\$ 32,696	\$ 32,754
Accounts receivable	<u>-</u>	<u>6</u>	<u>6</u>
Total assets	<u>\$ 58</u>	<u>\$ 32,702</u>	<u>\$ 32,760</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ 750	\$ 750
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>750</u>	<u>750</u>
Fund Balances:			
Unreserved	<u>58</u>	<u>31,952</u>	<u>32,010</u>
Total fund balance	<u>58</u>	<u>31,952</u>	<u>32,010</u>
Total liabilities and fund balances	<u>\$ 58</u>	<u>\$ 32,702</u>	<u>\$ 32,760</u>

Churchill Township
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
June 30, 2007

	Nonmajor Special Revenue Funds		Nonmajor Governmental Funds
	Liquor Law Enforcement	Gypsy Moth	Total
Revenue			
Taxes and fees	\$ -	\$ 27,910	\$ 27,910
Special assessments	-	-	-
State grants	323	-	323
Interest and rentals	-	210	210
	<u>323</u>	<u>28,120</u>	<u>28,443</u>
Expenditures			
Public safety	312	-	312
Public works	-	16,126	16,126
	<u>312</u>	<u>16,126</u>	<u>16,438</u>
Excess of Revenue Over (Under) Expenditures	<u>11</u>	<u>11,994</u>	<u>12,005</u>
 Net Change in Fund Balances	 11	 11,994	 12,005
 Fund Balances - Beginning of year	 <u>47</u>	 <u>19,958</u>	 <u>20,005</u>
Fund Balances - End of year	\$ <u><u>58</u></u>	\$ <u><u>31,952</u></u>	\$ <u><u>32,010</u></u>



ROBERTSON & CARPENTER CPAs, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Other office: Mio, Michigan

Rodney C. Robertson, CPA

Robert J. Carpenter, CPA

December 3, 2007

Township Board
Churchill Township
Ogemaw County, Michigan

In planning and performing our audit of the financial statements of the governmental activities and the major funds of Churchill Township as of and for the year ended June 30, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered Churchill Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the governmental unit's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Township Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Township Board's financial statements that is more than inconsequential will not be prevented or detected by the Township Board's internal control. We consider the following deficiency to be a significant deficiency in internal control.

Lack of adequate controls to produce full-disclosure GAAP basis financial statements.

Requirement: All Michigan governmental units are required to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is a responsibility of the Township Board's management. The preparation of financial statements in accordance with GAAP requires internal controls over both (1) recording, processing, and summarizing accounting data, and (2) reporting government-wide and fund financial statements, including the related footnotes.

Condition: The Township Board, as is common with smaller and medium-sized entities, has historically relied on its independent external auditors to assist in the preparation of the government-wide financial statements and footnotes as part of its external financial reporting process. Accordingly, the Township Board's ability to prepare financial statements in accordance with GAAP is based, in part, on its reliance on its external auditors, who cannot by definition be considered part of the government's internal controls.

Cause: This condition was caused by the Township Board's decision that it is more cost effective to outsource the preparation of its annual financial statements to the auditors than to incur the time and expense of obtaining the necessary training and expertise required for the Township Board to perform this task internally.

Effect: The result of this condition is that the Township Board lacks internal controls over the preparation of financial statements in accordance with GAAP, and instead relies, in part, on its external auditors for assistance with this task.

View of responsible officials: The Township Board has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Township Board to outsource this task to its external auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

This communication is intended solely for the information and use of management, the Township Board, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Robertson & Carpenter CPAs, P.C.
Certified Public Accountants



ROBERTSON & CARPENTER CPAs, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Rodney C. Robertson, CPA

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December 3, 2007

To the Township Board
Churchill Township
Ogemaw County, Michigan

We have audited the financial statements of the Churchill Township for the year ended June 30, 2007, and have issued our report thereon dated December 3, 2007. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 1, 2007, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Churchill Township. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Churchill Township are described in Note 1 to the financial statements. No new accounting policies were implemented during the year ended June 30, 2007. We noted no transactions entered into by Churchill Township during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on Churchill Township's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by Churchill Township, either individually or in the aggregate, indicates matters that could have a significant effect on Churchill Township's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Churchill Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Other Comments

Authorized signatures

In some instances, small special revenue funds with very few checks written during the year only required the Treasurer's signature. The Township subsequently corrected the checking account authorization to require signatures from the Clerk and Treasurer's office as required by State law.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to Churchill Township.

This information is intended solely for the use of the Township Board and management of Churchill Township and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Robertson & Carpenter CPAs, P.C.
Certified Public Accountants